



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

April 27, 2015

To: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai
Interim Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

MOTION TO DIRECT THE INTERIM CHIEF EXECUTIVE OFFICER, IN COLLABORATION WITH THE DIRECTOR OF PUBLIC SOCIAL SERVICES TO SEND A 5-SIGNATURE LETTER TO GOVERNOR BROWN: ADVOCATING FOR THE EXPEDITIOUS RESOLUTION OF CRITICAL CalHEERS SYSTEM ISSUES; SUPPORTING THE CONTINUATION OF \$240 MILLION IN BASE FUNDING THAT BEGAN IN FY 2013-14; AND URGING THE CONTINUATION AND EXPANSION OF \$150 MILLION IN FUNDING ADDED DURING THE CURRENT FISCAL YEAR SO THE DEPARTMENT OF PUBLIC SERVICES CAN EFFECTIVELY PROVIDE HEALTH COVERAGE TO ELIGIBLE COUNTY RESIDENTS (ITEM NO. 28, BOARD AGENDA OF APRIL 28, 2015)

Item No. 28 on the April 28, 2015 Agenda is a motion by Supervisor Kuehl recommending that the Board of Supervisors:

1. Direct the Interim Chief Executive Officer, in collaboration with the Director of Public Social Services, to send a 5-signature letter to Governor Brown, (with copies to the Secretary of Health and Human Services and the Directors of Healthcare Services, Finance, and the Office of Systems Integration): (a) advocating for the expeditious resolution of critical CalHEERS system issues; (b) supporting the Governor's proposed continuation of \$240 million in base funding that began in FY 2013-14; and (c) urging the continuation and substantial expansion of the \$150 million in funding that was added during the current fiscal year, so that the Department of Public Social Services can effectively provide health coverage to eligible Los Angeles County residents.

"To Enrich Lives Through Effective And Caring Service"

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2. Direct the County's Sacramento advocates, in collaboration with the Director of Public Social Services, to work with the Brown Administration and the Legislature in pursuit of these three objectives.

Approval of this motion is consistent with Board-approved policies to: 1) support proposals that simplify the health coverage and renewal processes to facilitate use and access for clients; 2) continue the use of county human services agencies to administer initial and ongoing Medi-Cal eligibility which interfaces with the Health Care Exchange; and 3) support proposals to increase funding for Medi-Cal enrollment and retention activities.

Background

To facilitate enrollment in health care programs, the Affordable Care Act (ACA) requires a single, accessible, standardized paper, electronic and telephonic application process. The joint application is required to be used by all entities authorized to determine eligibility for any affordable health care program including Medi-Cal and benefits provided through the Health Care Exchange. To meet this requirement, California developed a new computer system: the California Healthcare, Eligibility, Enrollment and Retention System (CalHEERS).

CalHEERS was established under AB 1296 (Chapter 641, Statutes of 2011) which requires the State, in consultation with the California Health Benefit Exchange (Covered California), counties, health care plans, consumer advocates and other stakeholders, to develop recommendations on the functionality of CalHEERS related to health care eligibility, enrollment, and retention of benefits. CalHEERS is intended to interface with multiple Federal, State and county automation systems and to connect with data sources, such as, the Internal Revenue Service, Department of Homeland Security and the Social Security Administration to verify income, citizenship and identity. CalHEERS is also designed to interface with State and county systems used to support eligibility determination for Medi-Cal benefits and for health care plans available through Covered California.

Ongoing problems with CalHEERS have resulted in significant delays in enrollment for Medi-Cal benefits, erroneous termination or denial of Medi-Cal benefits, and other significant issues for persons seeking health care benefits. In March 2015, the State established a "24-month roadmap" to identify critical CalHEERS automation needs with the goals of: ensuring accurate and timely eligibility determination; correct plan enrollment; improved customer service; ensuring that the technical infrastructure is properly maintained; and other system improvements.

The Governor's FY 2015-16 Proposed Budget provides \$150 million in additional funding in FY 2014-15 for county administration of the Medi-Cal Program. The budget also continues the base increase of \$240 million for the ACA from the FY 2013-14 and FY 2014-15 budgets into FY 2015-16. In providing this additional funding, the Governor noted that the Medi-Cal caseload has grown significantly due to the implementation of the ACA, and that the system built to automate eligibility work, CalHEERS, is still not completely functional. The Governor also indicated that his Administration will continue to monitor county workload to determine if additional resources are warranted in FY 2015-16.

County Impact

According to the Department of Public Social Services (DPSS), the ongoing problems with the CalHEERS system continue to create major challenges for DPSS and its customers. Therefore, there is an urgent need for the CalHEERS system to be fixed, though it will take at least two years for that to be accomplished. In the interim, the County Welfare Directors Association is pursuing a \$300 million increase in FY 2015-16 Medi-Cal administration funding, which includes continuation of the \$150 million mid-year increase for FY 2014-15, plus an additional \$150 million. DPSS will need its full share of this augmentation to adequately serve Medi-Cal applicants and beneficiaries in FY 2015-16. Since major problems with the CalHEERS system will continue through FY 2016-17 (if not longer), DPSS will continue to need a significant level of enhanced funding at least through FY 2016-17.

Conclusion

This office and the Department of Public Social Services recommend support of the motion because approval is consistent with existing Board-approved policies to: 1) support proposals that simplify the health coverage and renewal processes to facilitate use and access for clients; 2) continue the use of county human services agencies to administer initial and ongoing Medi-Cal eligibility which interfaces with the Health Care Exchange; and 3) support proposals to increase funding for Medi-Cal enrollment and retention activities.

We will continue to keep you advised.

SAH:JJ:MR
VE:ma

c: Executive Office, Board of Supervisors
County Counsel